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Sun sets while prices soar for Argyle's fancy pink diamonds

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Late next year, the conveyor belt that starts 600m beneath Western Australia's East Kimberley region will haul the final ore from the legendary Argyle diamond mine to the surface.

That will mark the moment that the source of almost all of the world's pink diamonds is exhausted — an event that has prompted a scramble among investors to get their hands on the gems.

The scarcity of the coloured stones and the finite life of Argyle has driven an extraordinary surge in prices for the gems in recent years, and investor interest has only grown as Argyle's end date ticks closer.

The interest in getting hold of the Argyle pinks comes from across the board, from mums and dads looking to squirrel one away into their self-managed superannuation funds through to the super rich of the US and Asia who are prepared to spend millions on just a fraction of a gram of Argyle's altered carbon.

Rio Tinto says the value of high-quality Argyle pink stones has increased more than 500 per cent since 2000, outpacing major international equity indices along the way. In 2018 alone, prices increased by 14 per cent.

Last year, a single 18.6 carat fancy vivid pink stone — albeit



Production of Argyle pinks will cease next year

one that did not come out of Argyle — sold in Geneva for \$US50.6 million.

On Friday, Rio Tinto formally launched its latest annual tender of Argyle's finest gems.

This year's collection of 64 stones weighing a combined 56.28 carats includes six "hero" diamonds which, if recent history is any guide, could set new records for Argyle gems.

Among them is the 1.75 carat Argyle Enigma, the second-largest "fancy red" diamond ever offered at tender.

"The scarcity is only increasing their desirability," Rio Tinto diamonds and copper chief Arnaud Soirat said.

Rio Tinto does not disclose the sale prices of its finest stones, but Frauke Bolten-Boshhammer, who has sold pink stones out of her Kimberley Fine Diamonds store in Kununurra for almost 30 years,

believes this year's tender will easily fetch more than \$US1m a carat.

"The prices have gone up and up and up," she said.

"People come and want to buy them but they can't, because they are just too expensive."

Chris Soklich, who runs high-end South Perth jeweller Soklich & Co, said pink diamond prices had been rising 10 to 15 per cent a year for the past five years with investors driving the rise in prices.

"The demand has gone through the roof," he said.

"Every diamond wholesaler is talking about how this product is going to run out," he said.

"That, coupled with the fact they are only producing a fraction of what they were, means the supply-demand ratios are pretty one-sided right now."

Many of the pink stones are being snapped up by collectors and investors who tuck them away in safes.

Ms Bolten-Boshhammer, however, hopes that whoever picks up this year's gems doesn't hide them away from the world.

"It's not that nice if they sit there in the darkness in a safe," she said.

"I tell my customers, 'Wear your diamonds, enjoy them.'"

The reporter travelled to Argyle as a guest of Rio Tinto

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